

## **Minutes of the Grinnell City Council Meeting Monday, January 3, 2005**

The City Council of the City of Grinnell met in regular session in the Council Chambers of the Grinnell Community Center, 927 4<sup>th</sup> Avenue, Grinnell, Iowa, at 7:00 p.m., Monday, January 3, 2005. Mayor Canfield presided.

Roll Call:               PRESENT: Elliott, McNaul, Witt, White, Worley, Wilson               ABSENT: None.

Mayor Canfield introduced and swore in Deputy City Clerk Ann Wingerter and Patrol Officer Ben Anderson.

### **PERFECTING AND APPROVAL OF AGENDA:**

Moved by WHITE, second by MCNAUL, to approve the Agenda and the Consent Agenda with the addition to the Consent Agenda of: Approval of the Liquor License Renewal for AJ's Steakhouse, 2110 West Street South. Roll Call Vote: Ayes: White, McNaul, Witt, Elliott, Worley, Wilson. Motion carried.

### **CONSENT AGENDA:**

- Previous minutes as drafted from the Monday, December 20, 2004 Regular Session.
- Approval of the Class LC Liquor License Renewal for Kelcy's, 812 6<sup>th</sup> Avenue.
- Approval of the liquor license renewal for AJ's Steakhouse, 2110 West Street South.

### **APPROVAL OF CLAIMS:**

Moved by WHITE, second by MCNAUL, to pay all bills where funds are available. Roll Call: Ayes: White, McNaul, Witt, Worley, Elliott, Wilson. Motion carried.

### **COMMUNICATIONS/COMMITTEE MINUTES:**

- I. Thank You: Phyllis Alexander, The Station Clubhouse
- II. Board of Adjustment: December 17, 2004
- III. Finance Committee Minutes: December 20, 2004
- IV. Public Works and Grounds Committee Minutes: December 20, 2004
- V. Civil Service Commission: December 22, 2004
- VI. Planning Committee: December 27, 2004
- VII. Stewart Library Minutes: December 28, 2004

### **OLD BUSINESS:**

- I. Report from the Finance Committee.

White commented in regard to the start of the FY 2005-2006 budgeting process and referred to the schedule of budget meetings.

- Review of the FBO Contract.

White discussed the preliminary negotiations of the FBO contract. Items specifically discussed were an increase in fuel surcharges to help offset a portion of the cost of ongoing airport improvement projects.

- Discussion in regard to the Renaissance Program.

The committee again reviewed the contractual relationship of Renaissance with the city specifically in regard to budgeting. The committee will report on this issue again in the near future.

- Review the request from Poweshiek County Habitat for Humanity in regard to waiver of building permit fees.

White reviewed the request for the waiver of building permit fees. The committee was concerned that approval of this request would create a precedent. Further, the city has already assisted the organization in gaining ownership of the property.

- Recommendation in regard to the requests for assistance from the Campbell Fund.

The requests were approved as presented.

- II. Report from the Planning Committee.

- Discussion in regard to the request for a variance for the placement of a banner.

Worley reviewed the request and explained that the banner is larger than what is permitted in the ordinance. Worley stated that staff was directed to contact the church and was able to confirm that a new banner had been received in compliance with the ordinance. Elliott commented that the city has consistently enforced this policy.

- o Discussion in regard to the Renaud Annexation.

Worley noted that the committee had extensive discussion in regard to the annexation and was awaiting response from the Citizens for Sound Growth in regard to economic impact. He reviewed the normal factors considered by the city when reviewing the annexation process, and their concern about not basing their decision on the end users. Worley requested thoughts from the council in regard to appropriate factors for annexation. White questioned if a time frame for a decision had been determined for responding to the request. Worley stated that the committee is not working under a time limit; however they do expect to hear from the property owner in regard to how long the property option is in effect. Elliott requested further clarification in regard to state and local law in regard to the time frame due for a response. Worley stated that it has been confirmed there is not time restraint. Wilson commented in regard to the factors usually considered in regard to annexation and agreed that those are the factors that should be reviewed. White corrected a previous comment in regard to another city's investment into preventing location of Super Wal-Mart.

Mayor Canfield then allowed members of the audience to speak.

Ms. Lolya Lipchitz – 920 East Street – introduced Mr. Carl Knudsen- to speak about relationship between the annexation decision and the likely end use of the property and what they feel would be appropriate criteria. White questioned the time frame of the proposed economic impact study. Lipchitz stated that contacts have been made to several consultants, however due to the holiday, there has been no response. They are anticipating a month to contract the study, two to four months to complete the study and one month to study the findings for a total of six months from today (January 3, 2005.) She was insistent that this process not be considered a formality. They expect the results of the study to impact the decision of the council.

Carl Knudsen – private attorney from Decorah, Iowa – reviewed his past experience with local and county government. He explained that their goal is to assist the council in thinking through the process of annexation. He pointed out that the option on the property should not be an issue considered by the council if the end user is not a concern. The property should be brought in to the community to benefit the citizens of Grinnell. He felt the council needed to be realistic with what action will follow. He discussed the opinion provided in regard to potential liability on the city's part in regard to lost revenue to a private property owner in the event a sale is lost due to delay in the annexation process. In terms of the question to what standards should apply: is this going to be in the best interests of this community at this time. The annexation is not a zoning issue at this time and the comprehensive plan does not obligate the city to incorporate the property into city limits at this time. He felt the development of a Wal-Mart Supercenter would have a tremendous impact on the community and will drive out competition and the inconvenience that will be caused by the businesses moving or closing. He encouraged the council take as much time needed to be able to have the annexation happen under circumstances in which the city can control the outcome to benefit the city. He suggested considering how much time it would take to amend the comprehensive plan and zoning ordinance. He offered possible changes that could be considered in regard to zoning groupings and modification of language as well as identifying specific areas within the community to limit where services can be provided. He explained this process could be started by the city council referring this item to the Planning and Zoning Commission to review the suggestions. He felt that this decision will have a serious impact on the downtown. He knows the council feels an obligation to the Renaud family, however wanted the council to remember they are not the only individuals with something at stake.

Knudsen continued by providing further detail in regard to questions that should be addressed for voluntary annexation and that the criteria usually applied to involuntary annexation should not necessarily apply. Once again, he suggested the council take as much time as needed and should not feel pressured to hurry up and get something done. He stated that the city could not be sued for refusing to annex property or for taking their time to annex property.

White felt that reviewing the plan at this time would make the city appear that they are obstructing fair trade and only reacting to a situation that has been presented. White commented that at this point, there is no way the city can separate Wal-Mart from the issue. He questioned whether the city would move forward with the amendments to the plan and zoning ordinance if Wal-Mart was not part of the issue. He stated the plan has just been completed and should currently represent what the community wants. He felt that the majority of the city just wants fair growth.

Knudsen responded that zoning laws need to create logical laws to manage districts no matter who owns the property and they should apply equally. However, he felt that if the city is attempting to achieve zoning districts, they can exclude certain types of retail services from areas to preserve what exists in the downtown. In regard to approaching the matter now, he felt that if the changes are made prior to the annexation of the property, there should not be any liability. However if the property is annexed and then the zoning areas are changed, it may appear that the city is trying to exclude Wal-Mart.

White questioned Knudsen's participation in the events surrounding the location of a Super Wal-Mart in Decorah. He stated that the City Council voted to support the project. He explained that even though they followed the entire process and pointed out some mistakes, after they had been to the Supreme Court, the city council still had a majority of the members in favor of the project.

Wilson stated that he does not have any problem with the request for annexation because it is an area the city has considered for years for development. He pointed out it is contiguous to the community and will not require a great investment to provide services. He felt that a local business is interested in expanding on the site and is not concerned about any suit that may come forward. He also knows that there are a lot of people in the community that are in favor of the expansion. He stated this is not unlike requests the community has recently faced with local grocery stores. He felt the procedure is being followed and does not see a reason not to follow through with the annexation. In regard to the economic impact study, he felt the outcome will depend on who is hired to complete the study. He appreciates the concerns of the citizens; however it should not have come as a surprise to the community that Wal-Mart is interested in expanding. He knows it will affect people in the city; however he sees this as an opportunity. He feels the discussion at this point has been one sided.

Lipchitz responded to Wilson by stating she did not feel Wal-Mart was a local business. She said that even though the business exists in Grinnell, it is not a local business. The money received in Grinnell does not stay in Grinnell. Wilson understands that Wal-Mart is a property tax payer within the corporate limits and that to him qualifies the business as local.

Worley summarized that the economic climate has changed over the last forty years. He reviewed that there are several citizens in favor of the development and they will be disappointed to hear that the size of the store will only be 98,000 square feet. He was very concerned about the economic impact study and that it is being used as a circular form of reasoning. He requested logical, valid discussion from the citizen group with proven data. The council cannot make a decision on perceived impact.

Pete Guillaume – 527 12<sup>th</sup> Avenue – pointed out it is not an economic impact study, it is a community impact study.

#### NEW BUSINESS:

Mayor Canfield introduced Angela Little and Ben McFarland as the newest volunteers for the Grinnell Fire Department and thanked them for their willingness to serve the community.

#### FINAL READING OF THE ORDINANCE:

Moved by WORLEY, second by MCNAUL, to introduce and read Ordinance No. 1238: "AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF GRINNELL, IOWA BY AMENDING PROVISIONS PERTAINING TO CHAPTER 21, ARTICLE II, (TREES IN AND ADJOINING PUBLIC WAYS.)" Roll Call Vote: Ayes: Worley, McNaul, White, Wilson, Witt, Elliott. Motion carried.

#### APPROVAL AND ADOPTION OF THE RESOLUTIONS:

Moved by ELLIOTT, second by WORLEY, to approve and adopt Resolution No. 2724: "A RESOLUTION ESTABLISHING RULES AND REGULATIONS IN REGARD TO TREES." Roll Call Vote: Ayes: Elliott, Worley, Witt, Wilson, McNaul, White. Motion carried.

Moved by ELLIOTT, second by WITT, to table Resolution No. 2743: "RESOLUTION SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON PROPOSED AMENDMENT NO. 1 TO THE GRINNELL URBAN RENEWAL PLAN FOR THE CITY OF GRINNELL, IOWA." Roll Call Vote: Ayes: Elliott, Witt, McNaul, Worley, Wilson, White. Motion carried.

#### INQUIRIES:

The council reviewed the snow emergency policy and that lack of being aware of the emergency does not preclude the law.

John Andelson – 850 Juniper Avenue, Kellogg – 1519 10<sup>th</sup> Avenue property owner, does not feel the study is circular. He stated that he believes there is a lot of evidence that Wal-Mart has negative effects on the communities to which it locates. Not only on local business, but also on quality of life including police costs and increase in crime rates. He reiterated that it is not an economic impact study that has been proposed, it is a community impact study. He wants to be able to take the background information specific to Grinnell and determine what could possibly happen in Grinnell.

Wilson commented that he had spotted a bald eagle on north Penrose Avenue.

Lipchitz questioned what type of data Worley would consider as valid. McNaul requested suggestions as to what would happen with the land if the options for development are reduced. She questioned the possibility of Wal-Mart allowing their option on the

land to expire and the Super Target decides they would like to locate there. She was concerned over what type of approach would be expected by the citizen group in that situation. She requested again that the group propose what type of development they would support on the site. Worley felt there were several organizations focused on bringing business to the community and it obviously needs to be defined what is acceptable growth. Wilson felt the data needed to be compared with communities in which Wal-Mart already existed and then expanded, not to data where Wal-Mart is new to the community.

Elliott commented that the vision needs to be clarified. The council must know what the community wants as well as what it doesn't want. She reminded the community of the study conducted by the Grinnell Herald Register a few years ago in regard to the retail leakage of sales from the community. She felt the idea of a category killer must be laid along side the leakage numbers. She felt that the percentage of leakage from Grinnell is far higher than other communities of the same size in most categories. She stated the property tax, other fees and the LOST tax stays in Grinnell. She would like to know what leakage occurs now and what leakage would happen if there is no Wal-Mart. She would like a rational look at all of the aspects.

Lipchitz questioned McNaul about what percentage of business goes to other Wal-Mart. Lipchitz stated that sales tax will not be generated on one third of the sales of the store as one third of the store will be non-taxable grocery. She commented again about not considering Wal-Mart a local business. She pointed out that they are a small group of citizens and cannot take on the responsibility of identifying the detail of what should be located on the site.

Elliott stated once again that comparison needs to be from having a Wal-Mart existing in the community to the absence of a Wal-Mart altogether.

ADJOURN:

Moved by WITT, second by MCNAUL, to adjourn this regular session of the Grinnell City Council at 8:15 pm. Vote: (6) ayes, motion carried.

ATTEST:

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Gordon Canfield, Mayor

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Cassandra R. Hage, City Clerk